EA

UNITED STATES PATENT AND TRADEMARK OFFICE

UNITED STATES DEPARTMENT OF COMMERCE
United States Patent and Trademark Office
Address: COMMISSIONER FOR PATENTS
P.O. Box 1450
Alexandria, Virginia 22313-1450
www.uspto.gov

APPLICATION NO.	FILING DATE	FIRST NAMED INVENTOR	ATTORNEY DOCKET NO.	CONFIRMATION NO.
09/726,277	11/30/2000	Theodore Hagelin	156P013	5290

7590 07/14/2005

George R. McGuire
HANCOCK & ESTABROOK, LLP
1500 MONY Tower I
PO Box 4976
Syracuse, NY 13221-4976

EXAMINER	
WOO, RICHARD SUKYOON	

ART UNIT	PAPER NUMBER
3639	

DATE MAILED: 07/14/2005

Please find below and/or attached an Office communication concerning this application or proceeding.

EA

Office Action Summary	Application No.	Applicant(s)	
	09/726,277	HAGELIN, THEODORE	
	Examiner	Art Unit	
	Richard Woo	3639	

-- The MAILING DATE of this communication appears on the cover sheet with the correspondence address --

Period for Reply

A SHORTENED STATUTORY PERIOD FOR REPLY IS SET TO EXPIRE 3 MONTH(S) FROM THE MAILING DATE OF THIS COMMUNICATION.

- Extensions of time may be available under the provisions of 37 CFR 1.136(a). In no event, however, may a reply be timely filed after SIX (6) MONTHS from the mailing date of this communication.
- If the period for reply specified above is less than thirty (30) days, a reply within the statutory minimum of thirty (30) days will be considered timely.
- If NO period for reply is specified above, the maximum statutory period will apply and will expire SIX (6) MONTHS from the mailing date of this communication.
- Failure to reply within the set or extended period for reply will, by statute, cause the application to become ABANDONED (35 U.S.C. § 133). Any reply received by the Office later than three months after the mailing date of this communication, even if timely filed, may reduce any earned patent term adjustment. See 37 CFR 1.704(b).

Status

1)☒ Responsive to communication(s) filed on *31 March 2005*.

2a)☒ This action is **FINAL**. 2b)☐ This action is non-final.

3)☐ Since this application is in condition for allowance except for formal matters, prosecution as to the merits is closed in accordance with the practice under *Ex parte Quayle*, 1935 C.D. 11, 453 O.G. 213.

Disposition of Claims

4)☒ Claim(s) *1-16 and 18-24* is/are pending in the application.

4a) Of the above claim(s) _____ is/are withdrawn from consideration.

5)☐ Claim(s) _____ is/are allowed.

6)☒ Claim(s) *1-16, 18-24* is/are rejected.

7)☐ Claim(s) _____ is/are objected to.

8)☐ Claim(s) _____ are subject to restriction and/or election requirement.

Application Papers

9)☐ The specification is objected to by the Examiner.

10)☐ The drawing(s) filed on _____ is/are: a)☐ accepted or b)☐ objected to by the Examiner.

Applicant may not request that any objection to the drawing(s) be held in abeyance. See 37 CFR 1.85(a).

Replacement drawing sheet(s) including the correction is required if the drawing(s) is objected to. See 37 CFR 1.121(d).

11)☐ The oath or declaration is objected to by the Examiner. Note the attached Office Action or form PTO-152.

Priority under 35 U.S.C. § 119

12)☐ Acknowledgment is made of a claim for foreign priority under 35 U.S.C. § 119(a)-(d) or (f).

a)☐ All b)☐ Some * c)☐ None of:

1.☐ Certified copies of the priority documents have been received.

2.☐ Certified copies of the priority documents have been received in Application No. _____.

3.☐ Copies of the certified copies of the priority documents have been received in this National Stage application from the International Bureau (PCT Rule 17.2(a)).

* See the attached detailed Office action for a list of the certified copies not received.

Attachment(s)

1) ☐ Notice of References Cited (PTO-892)
2) ☐ Notice of Draftsperson's Patent Drawing Review (PTO-948)
3) ☐ Information Disclosure Statement(s) (PTO-1449 or PTO/SB/08) Paper No(s)/Mail Date _____.
4) ☐ Interview Summary (PTO-413) Paper No(s)/Mail Date. _____.
5) ☐ Notice of Informal Patent Application (PTO-152)
6) ☐ Other: _____.

DETAILED ACTION

Response to Arguments

1) Applicant's Amendments filed March 31, 2005 have been entered and acknowledged.

2) Although the Applicant's argument filed March 31, 2005, with respect to the rejection under 35 U.S.C. 101 has been fully considered, for a second time the examiner maintains the position for the rejection. In response to Applicant's argument that other patent shows similar claim languages as recited by the applicant, the examiner cannot comment on the patentability issue of already issued patents of others.

For a claimed invention to be statutory, the claimed invention must be within the technological arts. Mere ideas in the abstract that do not apply, involve, use, or advance the technological arts fail to promote the "progress of science and the useful arts" (i.e., the physical sciences as opposed to social sciences, for example) and therefore are found to be non-statutory subject matter. For a process, the recited process must somehow apply, involve, use, or advance the technological arts.

In response to the applicant's argument that Elliot does not disclose the method including competitive advantage calculation and the relative contribution of the intellectual property to the competitive advantage, the applicant's own admission that Elliot's method is a conventional method of valuation and does consider the COMPETITIVE ADVANTAGE of the related product is deemed to agree to the examiner's position.

In response to the applicant's argument that Elliot does not expressly disclose the method of determining the value of a patent whose related product has not yet reached the market, the examiner again invites the applicant's attention to the paragraph [0144 (...*not yet existence but foreseeable*...)] of Elliot. The pre-market product is not yet existent but foreseeable and Elliot considers this pre-market product in the invention.

In response to applicant's argument that the references fail to show certain features of applicant's invention, it is noted that the features upon which applicant relies (i.e., Elliot is not capable of distinguishing between the value of different patents covering the same product) are not recited in the rejected claim(s). Although the claims are interpreted in light of the specification, limitations from the specification are not read into the claims. See *In re Van Geuns*, 988 F.2d 1181, 26 USPQ2d 1057 (Fed. Cir. 1993).

3) The text of those sections of Title 35, U.S. Code not included in this action can be found in a prior Office action.

Claim Rejections - 35 USC § 101

4) 35 U.S.C. 101 reads as follows:

> Whoever invents or discovers any new and useful process, machine, manufacture, or composition of matter, or any new and useful improvement thereof, may obtain a patent therefor, subject to the conditions and requirements of this title.

5) Claims 1-16 and 18-24 are rejected under 35 U.S.C. 101 because the claimed invention is directed to non-statutory subject matter.

As for Claims 1-26 and 18-21, please refer to the previous office action for the rationale behind the rejection.

As for Claim 22, please refer to the previous office actions for the lack of technological arts rational. There is no significant claim recitation of the data processing system or calculating computing device.

Claim Rejections - 35 USC § 102

6) The following is a quotation of the appropriate paragraphs of 35 U.S.C. 102 that form the basis for the rejections under this section made in this Office action:

> A person shall be entitled to a patent unless –
>
> (e) the invention was described in (1) an application for patent, published under section 122(b), by another filed in the United States before the invention by the applicant for patent or (2) a patent granted on an application for patent by another filed in the United States before the invention by the applicant for patent, except that an international application filed under the treaty defined in section 351(a) shall have the effects for purposes of this subsection of an application filed in the United States only if the international application designated the United States and was published under Article 21(2) of such treaty in the English language.

7) Claims 1-3, 5-6, 8-9, 12, 15-16 and 22-24 are rejected under 35 U.S.C. 102(e) as being anticipated by Elliott (US 2003/0061064).

As for Claim 1, Elliott discloses a method comprising the steps of:

calculating a monetary value of a tangible asset associated with the intangible asset (see paragraphs [0008], [0009], [0011], [0025], [0026], [0100] – [0115], [0118]-[0120], [0146]);

determining a competitive advantage of the tangible asset over competing tangible assets as a percentage thereof (see, [0106] and [0108] to determine the competitive advantage); and

calculating a value for the intangible asset based upon a relative contribution of the intangible asset to the competitive advantage of the tangible asset (see Supra paragraphs).

- As for Claim 2, Elliott further discloses the method, wherein the calculating step includes the steps of:

determining a total annual gross sales in a market for the tangible asset (see [0100]-[0115]);

determining an annual percent growth of the market (see Id.);

determining a life cycle in years of the tangible asset (see Id.);

determining a profit margin of the tangible asset as a percent of gross sales;

determining a present value discount factor; and

summing a multiple of the total annual gross sales, the annual percent growth, the profit margin, and the present value discount factor over each year of the life cycle of the tangible asset (see [0100]-[0115]).

- As for Claim 3, Elliott further discloses the method, wherein the step of determining a competitive advantage includes the steps of:

identifying at least one parameter associated with the tangible asset relevant to commercial success in the marketplace (see [0100]-[0115]); and

comparing the parameter with at least one parameter of at least one competing tangible asset to determining the competitive advantage of the tangible asset as a percent variation (see Id.).

As for Claim 5, Elliott discloses a method comprising the steps of:

determining a present monetary value of an intended market for the pre-market product;

calculating a competitive advantage of the pre-market product in the intended market as a percent variation;

predicting a market share of the pre-market product based on the competitive advantage; and

calculating a monetary value for the pre-market product by multiplying the predicted market share and the present monetary value of the intended market (see paragraphs [0008], [0009], [0011], [0025], [0026], [0100] – [0115], [0118]-[0120], [0144 (...*not yet existence but foreseeable*...)], [0146]).

- As for Claim 6, Elliott further discloses the method including:

determining a total annual gross sales in the intended market for the pre-market product;

determining an annual percent growth of the market as a percent;

determining a life cycle in years of the pre-market product;

determining a profit margin of the pre-market product as a percent of gross sales;

determining a present value discount factor; and

summing a multiple of the total annual gross sales, the annual percent growth, the profit margin, and the present value discount factor over each of the life cycle of the pre-market product (see paragraphs [0008], [0009], [0011], [0025], [0026], [0100] – [0115], [0118]-[0120], [0144 (*...not yet existence but foreseeable...*)], [0146]).

- As for Claim 8, Elliott further discloses the method including the steps of:

determining an average market share of the market; and

multiplying the average market share by the competitive advantage (see Id.).

As for Claim 9, Elliott discloses a method comprising the steps of:

determining a monetary value to a licensor and licensee based on a change in monetary value of a tangible asset associated with an intangible asset subject to the license (see [0146]-[0163]); and

calculating the monetary value to the licensor and licensee by comparing the change in monetary value.

As for Claim 12, Elliott discloses a method comprising the steps of:

calculating a change in a competitive advantage of a tangible asset associated with the intangible asset as a percent variation; and

calculating the monetary value by multiplying the change in the competitive advantage of the tangible asset and an average market share in an intended market (see paragraphs [0008], [0009], [0011], [0025], [0026], [0100] – [0115], [0118]-[0120], [0146]).

As for Claim 15, Elliott discloses a method comprising the steps of:

determining a competitive advantage as a percent variation of the tangible asset in an intended market;

determining an average market share as a percent of the market; and

multiplying the average market share and the competitive advantage (see paragraphs [0008], [0009], [0011], [0025], [0026], [0100] – [0115], [0118]-[0120], [0146]).

As for Claim 16, Elliott discloses a method comprising the steps of:

calculating a monetary value of the tangible asset;

calculating an amount of firm expenditures on research and development, advertising, and business innovation as a percentage of total firm expenditures; and

multiplying each percent of firm expenditures with the monetary value of the tangible asset (see paragraphs [0008], [0009], [0011], [0025], [0026], [0100] – [0115], [0118]-[0120], [0146]).

As for Claim 22, Elliott discloses a method comprising the steps of:

inputting data relating to the market for a tangible asset associated with the intangible asset (see Claim 14 for the data processing system that MUST include the user input interface);

calculating a monetary value of a tangible asset (see paragraphs [0008], [0009], [0011], [0025], [0026], [0100] – [0115], [0118]-[0120], [0146]);

determining a competitive advantage of the tangible asset over competing tangible assets as a percentage thereof (see, [0106] and [0108] to determine the competitive advantage); and

calculating a value for the intangible asset based upon a relative contribution of the intangible asset to the competitive advantage of the tangible asset (see Supra paragraphs).

- As for Claim 23, Elliott further discloses the method, wherein the calculating step includes the steps of:

inputting a total annual gross sales in a market for the tangible asset (see [0100]-[0115]);

inputting an annual percent growth of the market (see Id.);

inputting a life cycle in years of the tangible asset (see Id.);

inputting a profit margin of the tangible asset as a percent of gross sales;

inputting a present value discount factor; and

inputting a multiple of the total annual gross sales, the annual percent growth, the profit margin, and the present value discount factor over each year of the life cycle of the tangible asset (see [0100]-[0115]).

- As for Claim 24, Elliott further discloses the method, wherein the step of determining a competitive advantage includes the steps of:

identifying at least one parameter associated with the tangible asset relevant to commercial success in the marketplace (see [0100]-[0115]); and

comparing the parameter with at least one parameter of at least one competing tangible asset to determining the competitive advantage of the tangible asset as a percent variation (see Id.).

Allowable Subject Matter

8) Claims 4, 7, 10-11, and 13-14 would be allowable if rewritten to overcome the rejection(s) under 35 U.S.C. 101, set forth in this Office action and to include all of the limitations of the base claim and any intervening claims.

Claims 18-21 would be allowable if rewritten or amended to overcome the rejection(s) under 35 U.S.C. 101, set forth in this Office action.

Conclusion

THIS ACTION IS MADE FINAL. Applicant is reminded of the extension of time policy as set forth in 37 CFR 1.136(a).

A shortened statutory period for reply to this final action is set to expire THREE MONTHS from the mailing date of this action. In the event a first reply is filed within TWO MONTHS of the mailing date of this final action and the advisory action is not mailed until after the end of the THREE-MONTH shortened statutory period, then the shortened statutory period will expire on the date the advisory action is mailed, and any extension fee pursuant to 37 CFR 1.136(a) will be calculated from the mailing date of the advisory action. In no event, however, will the statutory period for reply expire later than SIX MONTHS from the mailing date of this final action.

Any inquiry concerning this communication or earlier communications from the examiner should be directed to Richard Woo whose telephone number is 571-272-6813. The examiner can normally be reached on Monday-Friday from 8:30 AM -5:00 PM.

If attempts to reach the examiner by telephone are unsuccessful, the examiner's supervisor, John Hayes can be reached on 571-272-6708. The fax phone number for the organization where this application or proceeding is assigned is 703-872-9306.

Information regarding the status of an application may be obtained from the Patent Application Information Retrieval (PAIR) system. Status information for published applications may be obtained from either Private PAIR or Public PAIR. Status information for unpublished applications is available through Private PAIR only. For more information about the PAIR system, see http://pair-direct.uspto.gov. Should you have questions on access to the Private PAIR system, contact the Electronic Business Center (EBC) at 866-217-9197 (toll-free).

Richard Woo
Art Unit 3639
July 8, 2005

JOHN W. HAYES
PRIMARY EXAMINER